



General Assembly

January Session, 2015

Raised Bill No. 6769

LCO No. 3570



Referred to Committee on HIGHER EDUCATION AND
EMPLOYMENT ADVANCEMENT

Introduced by:
(HED)

***AN ACT CONCERNING THE UNEXPECTED CLOSURE OF PRIVATE
OCCUPATIONAL SCHOOLS.***

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Subsection (d) of section 10a-22c of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2015*):

4 (d) No certificate to operate a new private occupational school shall
5 be issued by the executive director pursuant to section 10a-22d until
6 such private occupational school seeking authorization files with the
7 executive director an irrevocable letter of credit issued by a bank with
8 its main office or branch located within this state in the penal amount
9 of forty thousand dollars guaranteeing the payments required of the
10 school to the private occupational school student protection account in
11 accordance with the provisions of section 10a-22u. The letter of credit
12 shall be payable to the private occupational school student protection
13 account in the event that such school fails to make payments to the
14 account as provided in subsection (a) of section 10a-22u or in the event

15 the state takes action to reimburse the account for a tuition refund paid
16 to a student pursuant to the provisions of section 10a-22v, provided
17 the amount of the letter of credit to be paid into the private
18 occupational school student protection account shall not exceed the
19 amounts owed to the account. In the event a private occupational
20 school fails to close in accordance with the provisions of section 10a-
21 22m, the executive director may seize the letter of credit, which shall
22 be made payable to the private occupational school student protection
23 account. The letter of credit required by this subsection shall be
24 released twelve years after the date of initial approval, provided
25 evidence of fiscal soundness has been verified.

26 Sec. 2. Section 10a-22m of the general statutes is amended by adding
27 subsections (d) and (e) as follows (*Effective July 1, 2015*):

28 (NEW) (d) In the event a private occupational school fails to meet
29 the requirements set forth in subsection (a) of this section and closes
30 prior to graduating all current students, the executive director may
31 seize the letter of credit filed by the private occupational school
32 pursuant to subsection (d) of section 10a-22c, as amended by this act,
33 and such letter of credit shall be made payable to the private
34 occupational school student protection account. The executive director
35 may expend funds from the private occupational school student
36 protection account as necessary to facilitate a teach-out of any
37 remaining students up to and including the issuance of a certificate of
38 completion pursuant to subsection (e) of this section. For purposes of
39 this subsection and subsection (e) of this section, (1) "teach-out" means
40 the completion of instruction of a course or program of study in which
41 a student was enrolled, provided the teach-out includes instruction of
42 the entire program of study when a course is a part of such program of
43 study, and (2) "certificate of completion" means the credential,
44 documented in writing, that is issued to a student who completes a
45 course or program of study offered by a private occupational school.

46 (NEW) (e) In the event of a private occupational school closure that

47 fails to meet the requirements set forth in subsection (a) of this section,
48 the executive director may issue a certificate of completion to each
49 student it determines has successfully completed such student's course
50 or program of study in which such student was enrolled at such
51 private occupational school.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2015</i>	10a-22c(d)
Sec. 2	<i>July 1, 2015</i>	10a-22m

Statement of Purpose:

To ensure that when a private occupational school fails to close in accordance with statutory requirements, any letter of credit issued to such school may be made payable to the private occupational school protection account and the executive director of the Office of Higher Education may confer, after such school closes, a credential of completion to students who have met the requirements of their program.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]